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THE TOBACCO PRICE SITUATION, JANUARY 1930

More than 90 per cent of the flue-cured tobacco crop was sold prior to January 1 at prices slightly above those of last season. The marketing season for most of the other types opened during December. The following shows the average season's prices on local markets by types for the 1927 and 1928 seasons and the probable changes in 1929 compared with 1928.

Class and type	Type	average season's price per pound			Probable change in price this season compared with last
		1927	1928	1/	
				<u>Cents</u>	<u>Cents</u>
Flue-cured:					
North central N.C. & Va.	11	21.2	18.3		Little change
Eastern N. C.	12	22.4	20.6		Little change
Fire-cured:					
Virginia	21	9.9	10.6		Higher
Clarksville and Hopkinsville	22	18.5	15.6		Slightly lower
Paducah	23	12.2	12.7		Slightly lower
Henderson	24	9.7	12.0		Little change
Light air-cured:					
Burley	31	26.0	30.4		Lower
Maryland	32	22.8	27.3		Little change
Dark air-cured:					
One-Sucker	35	10.6	12.2		Slightly lower
Green River	36	9.1	11.6		Little change
Virginia Sun-cured . . .	37	13.1	10.1		Slightly higher
Cigar filler:					
Pennsylvania	41	13.6	14.0		Slightly higher
Miami Valley	42-43-44	15.6	17.5		Little change
Cigar binder:					
Connecticut Valley					
Broadleaf	51	21.0	21.0		Higher
Connecticut Valley					
Havana Seed	52	23.4	24.0		Higher
Wisconsin	54-55	16.0	14.5		Little change

1/ Revised December 1929.

In the last column to the right above by "little change" is meant an average season's price not more than 8 per cent higher or

lower than that of last year; by "slightly higher" or "slightly lower" is meant an average price from 8 to 20 per cent higher or lower than last year and by "higher" or "lower" is meant an average price more than 20 per cent higher or lower than last year.

Flue-cured

The marketing season is over for types 13 and 14 of the flue-cured class. The average season's price for Type 13 grown in South Carolina and southeastern North Carolina was 16.4 cents per pound, compared with 13.6 cents in 1928 and 20.5 cents in 1927. The average season's price for Type 14 grown in Georgia and Florida was 18.4 cents per pound compared with 12.7 cents in 1928 and 18.9 cents in 1927. The prices for Type 11 grown in central and north central North Carolina and southern Virginia and Type 12 grown in eastern North Carolina weakened slightly during the latter part of December. However, most of the difference in the November and December price averages is due to the fact that the lower grades comprised a larger proportion of the offerings in December than in November.

The December estimate of the 1929 crop is 763 million pounds, approximately the same as indicated on November 1. The demand situation remains favorable. Cigarette tax sales for recent months have remained at a level approximately 12 per cent higher than a year ago. Exports from July to November inclusive were approximately the same as in 1928, the decline in exports to China being practically offset by increases to the other important importing countries. Present indications are that the total exports for the 1929-30 season will exceed those of the 1928-29 season when they were 414 million pounds.

Virginia fire-cured

The prices of Virginia fire-cured tobacco have remained well above those of last season. The quality of the crop is better than last year and the lower grades are selling higher than a year ago.

Although the crop is slightly larger than last year, stocks have been materially reduced and the total supply is approximately 20 per cent less than a year ago and the smallest in recent years. Exports of this type were unusually heavy in November and the total exports for the five months July to November inclusive were approximately 30 per cent larger than for corresponding months in 1928 and 20 per cent larger than in 1927. Exports for the first six months of 1929 were larger than for the corresponding period of 1928. Prior to 1929 exports had shown a downward tendency. Domestic consumption appears to have increased gradually in recent years.

Clarksville and Hopkinsville, and Paducah fire-cured

During December the fire-cured markets in western Kentucky and Tennessee averaged from 2 to 3 cents per pound lower than a year ago; Recent reports indicate that the quality of the crop is not much, if any, better than last year. Early reports indicated some improvement in quality.

The stocks on October 1 were smaller than a year ago but the crop is substantially larger and the total supply approximately 12 per cent larger than last year. Exports from July to November 1929 were smaller than for corresponding periods in 1928 and 1927. Exports for the first six months of 1929 were also smaller than for corresponding periods of 1928 and 1927. Domestic consumption appears to have increased some in recent years but not as much as exports have decreased.

Henderson

Prices in the Henderson fire-cured district are not materially different from those of last year. The quality of the crop appears to be slightly better than a year ago and the total supply is slightly smaller. The disappearance of this type has declined in recent years but was larger for the year ended October 1, 1929 than during the previous year.

Burley

Burley prices during December averaged from 6 to 8 cents per pound lower than in 1928. Stocks of Burley are smaller than a year ago but the crop is larger and the total supply slightly larger. As pointed out previously the situation is such as to indicate a season's average price between those of 1923 and 1927. In 1923 the average season's price on local markets was 21.4 cents per pound and in 1927 it was 26.0 cents. Based on October 1 stocks and the December estimate of production the total supply is approximately 4 per cent less than in 1923 and 3 per cent larger than in 1927. The quality of the crop appears to be better than in 1927 and not greatly different from that of 1923.

The domestic consumption of Burley for the year beginning October 1, 1928 was larger than for the previous year but smaller than for the twelve months beginning October 1926 when extremely low prices prevailed. In recent years there has been a slight upward trend in domestic consumption of Burley tobacco due to the fact that the increase in the quantity used for cigarettes has more than offset the decrease in the quantity used for chewing and smoking.

Maryland

The prices reported for the 1928 crop of Maryland tobacco have been revised so that it now appears that the prices for the 1929 crop will not greatly exceed, if they equal, those of 1928.

The Maryland crop is larger than last year but stocks are smaller so that the total supply is slightly less than a year ago. The quality of the crop appears to be better than last year. Prices during the marketing season for the 1928 crop which is just closing markedly improved as the season advanced. The average price received for the 1928 crop is the highest in recent years. Apparently the quantity of this type used in making cigarettes is increasing. The domestic consumption was materially larger for the year ended October 1, 1929 than during other recent years. Exports were also slightly larger than during the previous year.

One Sucker

One Sucker tobacco prices on local markets averaged during December from 1 to 2 cents per pound lower than a year ago and are not greatly different from those of 1927. The crop is materially larger than last year but stocks are smaller and the total supply only 4 per cent larger than a year ago. The total supply is 11 per cent smaller than in 1927. The quality of the crop appears to be about the same as last year and better than in 1927. Both exports and domestic consumption of this type have gradually declined in recent years. However, exports were larger for the first 11 months of 1929 than for the corresponding period of 1928 but smaller than in 1927.

Green River

The markets for Green River tobacco opened in December with prices averaging slightly below those of last year. During the last days of December, prices improved somewhat and recent sales are slightly above those of last year. The crop is 50 per cent larger than a year ago but stocks have been noticeably reduced and the total supply approximately the same as last year. The quality of the crop appears to be slightly better than last year. Both exports and domestic consumption of this type have declined substantially in recent years, the exports for the first 11 months of 1929 were materially larger than in the corresponding period of 1928 but smaller than in 1927. Domestic consumption was practically the same during the past year as during the preceding year.

Virginia Sun-cured

The prices of Virginia Sun-cured tobacco have remained above those of last year. The size of the crop is approximately the same as a year ago but the quality is better. The stocks and total supply are slightly larger than a year ago but smaller than in 1927. The disappearance of this type has gradually declined in recent years.

Cigar filler

The proportion of Pennsylvania Seedleaf going into the grades used for cigar fillers is larger and that going into the lower grades correspondingly smaller than during any of the three preceding years.

The crop is smaller than that of 1928 and stocks have decreased slightly. The total supply is slightly smaller than a year ago. Consumption increased in 1929 and indications are that prices will average somewhat higher than those of 1928.

Prices of the Miami Valley types appear little changed from those of last year. The crop is estimated to be 10 per cent larger than that of 1928. Indications are that approximately 15 per cent of the crop will go for stemming purposes whereas last year the low grades were used for short fillers. In 1929, October 1 stocks and total supply reached the lowest figures on record for this type and consumption increased slightly over that of the previous year.

Cigar binder

Although production decreased 7.5 per cent in 1929, a reduction in consumption leaves the total supply slightly larger than that of a year ago. With a remarkably small proportion of the Connecticut Valley crop going for stemming purposes the actual quantity of leaf suitable for binders appears to be not greatly different from a year ago. The quality, however, is inferior, and the proportion of light colors is small.

The December estimate of the 1929 Connecticut Valley Broadleaf crop is 10.4 million pounds; of the 1928 crop, 11.6 million pounds. To date farmers have received prices much higher than in 1928. Stocks are slightly lower but consumption has been declining. It is estimated that approximately 16 per cent of the 1929 crop will go for stemming purposes compared with 35 per cent in 1928 and 30 per cent in 1927.

Prices paid to growers for the 1929 crop of Connecticut Valley Havana Seed have been much higher than in 1928. A slight increase in production is estimated for 1929 but increased consumption has reduced stocks to the lowest figure ever reported for October 1. Indications are that approximately 12 per cent of the 1929 crop will go for stemming purposes compared with approximately 35 per cent in 1927 and 1928.

Very little tobacco of the Wisconsin types was delivered prior to January 1. The crop was slightly smaller than that of 1928 but indications are that a slightly larger proportion will go for stemming purposes. With a reduction in consumption during the past year, stocks and total supply are larger than a year ago. The general shortage of good binder tobacco in all districts is a strengthening factor in the demand situation.

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